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LISTING STATEMENT No. 2203

LISTED APRIL 20, 1965  
643,509 Shares without par value, of which  
343,500 are subject to issuance  
Ticker abbreviation "LIL"  
Dial ticker number 2029  
Post section 8.6

THE TORONTO STOCK EXCHANGE

*See p. 2*

LISTING STATEMENT

**LIFE INVESTORS LIMITED**

Incorporated under the Laws of the Province of  
Ontario by Letters Patent dated January 8, 1965

CAPITALIZATION AS AT APRIL 12, 1965

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Shares without par value .....	1,000,000	300,009	643,509*
* of which 343,500 are subject to issuance on exercise of Share Purchase Warrants.			

April 12, 1965.

1. APPLICATION

Life Investors Limited ("The Company") hereby makes application for the listing on The Toronto Stock Exchange of 643,509 shares without par value in the capital stock of the Company of which 300,009 have been issued and are outstanding as fully paid and non-assessable. The remaining 343,500 shares included in the application have been reserved for the exercise of Share Purchase Warrants.

2. HISTORY

The Company was incorporated on January 8, 1965 and commenced business on January 29, 1965. The underwriting referred to in the attached prospectus having now been completed, the Company is functioning as a closed-end investment company, investing primarily in the shares of companies in the life insurance business.

3. NATURE OF BUSINESS

The nature of the business of the Company is that of a closed-end investment company investing primarily in the shares of companies in the life insurance business. The Company has no employees.

4. INCORPORATION

The Company was incorporated under the Laws of the Province of Ontario by Letters Patent dated January 8, 1965 with an authorized capital of 1,000,000 shares without par value.

5. SHARE ISSUES DURING PAST TEN YEARS

The Company has issued during the past ten years the following shares without par value.

DATE OF ISSUE	NO. OF SHARES ISSUED	AMOUNT REALIZED PER SHARE	TOTAL AMOUNT REALIZED	PURPOSE OF ISSUE
January 8, 1965	9	\$10	\$90	Incorporators shares.
January 29, 1965	59,000	\$10	\$590,000	See attached prospectus.
April 8, 1965	241,000	\$10	\$2,410,000	See attached prospectus.

6. STOCK PROVISIONS AND VOTING POWERS

Each share carries one vote at all meetings of the shareholders. All shares are fully paid and non-assessable. No share has any priority to any other.

7. DIVIDEND RECORD

The Company has not paid any dividend on its shares.

8. RECORD OF PROPERTIES

The Company is an investment company and owns no property.

9. SUBSIDIARY COMPANIES

The Company has no subsidiaries.

10. FUNDED DEBT

The Company has no funded debt.

11. OPTIONS, UNDERWRITINGS, ETC.

The Company has outstanding no options, underwritings, sales agreements or other commitments with respect to any unissued shares. However, the Company has sold to Midland-Osler Securities Limited for a price of .10¢ per Share Purchase Warrant 333,500 Share Purchase Warrants of which 300,000 Share Purchase Warrants have been distributed to the public together with the shares covered by this listing application in units of one share and one Share Purchase Warrant as further described in the attached prospectus. In addition, the Company has sold to Lindsay, McKelvey & Company Limited for a price of .10¢ per Share Purchase Warrant, 10,000 Share Purchase Warrants. Reference is made to page 8 of the attached prospectus for additional information concerning the Share Purchase Warrants.

12. LISTING ON OTHER STOCK EXCHANGES

No securities of the Company are or have been listed on any other stock exchange.

13. STATUS UNDER SECURITIES ACTS

Particulars of any filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows: The Ontario Securities Commission issued its official receipt dated March 16, 1965, acknowledging receipt of the material required under the Securities Act (Ontario) in reference to the offering of 300,000 shares in the capital stock of the Company and 300,000 Share Purchase Warrants.

14. FISCAL YEAR

The fiscal year of the Company ends on October 31 in each year.

15. ANNUAL MEETINGS

The By-Laws of the Company provide that the annual meeting of the Company shall be held at the head office of the Company or at such other place in Ontario on such date in each year as the Board of Directors may determine from time to time. No annual meeting of shareholders of the Company has as yet been held.

16. HEAD AND OTHER OFFICES

The head office of the Company is located at 48 Yonge Street, Suite 330, Toronto, Ontario, Canada. The Company has no other offices.

17. TRANSFER AGENT

The Transfer Agent of the Company is Canada Trust Company, 33 Adelaide Street West, Toronto, Ontario.

**New Issue**



**300,000 Units**

**Each unit consisting of 1 share without par value and 1 Share Purchase Warrant**

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**Price: \$10.65 per Unit**

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*Life Investors Limited*

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**A closed-end investment company seeking long term capital appreciation through  
investment in shares of selected life insurance companies.**

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This prospectus is not, and under no circumstances is to be construed as, a public offering of any of these securities for sale in the United States of America or in the territories or possessions thereof.

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## SHARE PURCHASE WARRANTS

Each Share Purchase Warrant will entitle the holder to purchase 1 share for \$12.50 at any time up to 4.00 p.m. Toronto time on February 28, 1970 and thereafter 1 share for \$15.00 per share at any time up to 4.00 p.m. Toronto time on February 28, 1975 after which the Share Purchase Warrants will expire.

The Share Purchase Warrant Indenture contains provisions for appropriate adjustment of the number of shares issuable and of the exercise price of such Warrants under certain conditions as described under the heading "Share Purchase Warrants" on page 8.

## LISTING

The listing of the shares and Share Purchase Warrants on The Toronto Stock Exchange has been approved, subject to the filing of documents and evidence of satisfactory distribution, both within 90 days of such approval.

## TRANSFER AGENT AND REGISTRAR FOR SHARES AND TRUSTEE FOR SHARE PURCHASE WARRANTS

**The Canada Trust Company, Toronto**

## OFFERING

We, as principals, offer these Units subject to prior sale and change in price if, as and when issued by the Company and accepted by us, subject to the approval of all legal matters both on behalf of the Company and on our behalf by Messrs. Shibley, Righton, Scane & McCutcheon, Toronto.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books without notice. It is expected that share certificates and Share Purchase Warrants will be available for delivery on or about April 8, 1965.

## MIDLAND-OSLER SECURITIES LIMITED

**W. C. PITFIELD & COMPANY, LIMITED**

**BURNS BROS. AND DENTON LIMITED**

## *Life Investors Limited*

Life Investors Limited ("Life Investors" or the "Company") is a closed-end investment company seeking long term capital appreciation through investment in shares of selected life insurance companies.

The Company was incorporated under the laws of the Province of Ontario by letters patent dated January 8, 1965, and maintains its Head Office at 48 Yonge Street, Toronto 1, Ontario. The Company commenced business on January 29, 1965.

### **LIFE INSURANCE IN CANADA**

#### **A Record of Growth**

Life insurance is an old concept. The first life insurance company was formed in England over 200 years ago. The life insurance business in Canada dates from 1833 when The Standard Life Assurance Company, a Scottish company, began operations here. Today, three out of four Canadian families own some life insurance. In the intervening years, the number of companies and volume of business have grown immensely. The assets of Canadian life insurance companies have grown to more than \$10 billion and now have an important impact on the Canadian economy.

In its early years, the growth of the business was slow. The concept of life insurance for business purposes and as a means of protecting one's family, though regarded as almost essential today, was not widely appreciated. In 1875, there were some 36 life insurance companies operating in Canada, but most of these were foreign-owned and life insurance in force totalled only \$85 million. The next quarter century saw an increase in the demand for life insurance and the establishment of many of the Canadian life insurance companies that are today among the largest and best known.

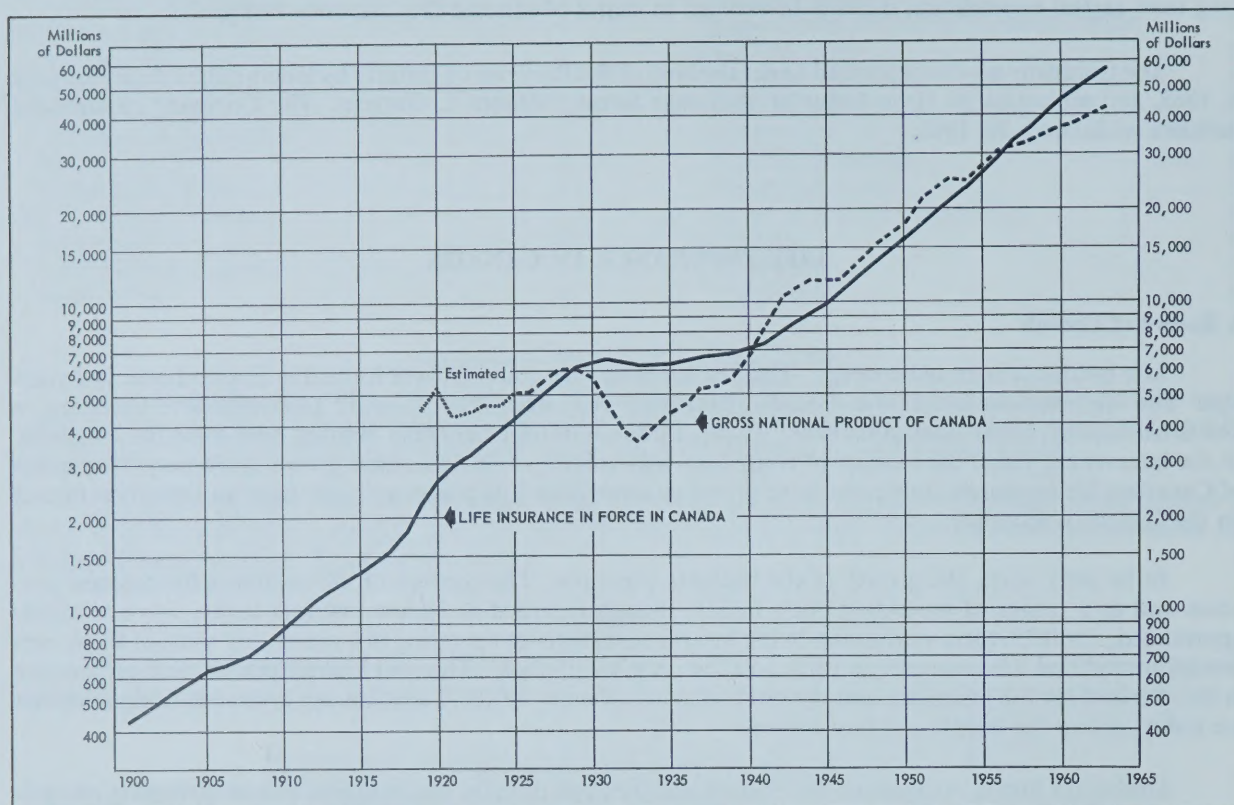
During the first thirty years of this century, the uses and need for life insurance gained increasing recognition, resulting in an outstanding growth record. Life insurance in force in Canada increased each and every year during this period, reaching \$6,491 million in 1930 compared with \$431 million in 1900.

This pattern of growth was interrupted by the depression. However, while many other industries suffered drastically during the 'thirties, the assets of Canadian life insurance companies continued to increase, and life insurance in force fell off only slightly. By 1940, the industry was again growing rapidly.

In the post-war period, stimulated by a growing population, increasing discretionary income, rising living costs and an expanded awareness of the need for life insurance, the business continued its growth. Since 1945, life insurance in force in Canada has increased at an average rate of 10% per annum compounded.

Today there are 126 companies writing life insurance in Canada and life insurance in force totals over \$60 billion. While fewer than half of these companies are Canadian-owned, the Canadian companies account for more than two-thirds of the total insurance in force. Moreover, Canadian companies have more than \$16 billion of business in force outside of Canada, largely in the United States and Great Britain.

The chart below shows the growth between 1900 and 1963 of life insurance in force in Canada, and compares this with the growth in the Gross National Product of Canada for those years for which figures are available.



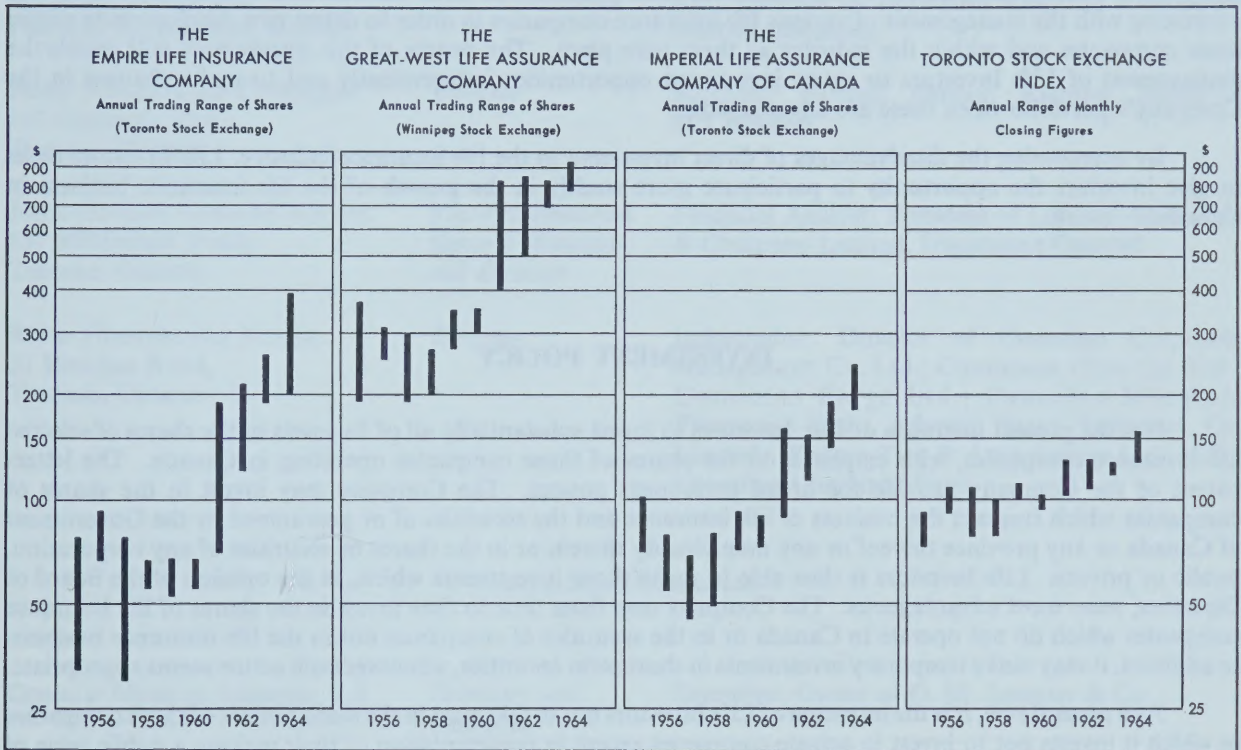
Preliminary statistics suggest that the industry's growth rate was maintained during 1964. While final figures as to the total amount of life insurance in force as of December 31, 1964 are not as yet available, industry reports indicate that life insurance purchases in the first nine months of 1964 were running 15% ahead of the comparable 1963 period, suggesting that 1964 was another record year.

While the maintenance of the past rate of growth cannot be guaranteed, the Directors of Life Investors believe that life insurance in force will, over a period of years, continue to increase more rapidly than the Gross National Product.

## Investment Opportunities

Life insurance is written by both shareholder-owned and mutual (or policyholder-owned) companies. Among Canadian companies, the shareholder-owned companies account for over 40% of the business.

As might be expected from the industry's past growth record, the shares of the shareholder-owned companies have appreciated substantially in price over the years. Only three Canadian life insurance companies have listed their shares on a recognized stock exchange. The remainder are traded "over-the-counter". The chart below shows the monthly trading ranges for the shares of the listed companies over the past ten years, together with the monthly closing figures for The Toronto Stock Exchange Index over the same period. While full trading records are not available for the shares of life insurance companies that are traded "over-the-counter", the shares of some of these companies have increased in price even more rapidly than have the shares of the listed companies.



## The Role of Life Investors

Despite their favourable price performance over a period of years, the shares of Canadian life insurance companies have failed to attract widespread investor interest.

In the opinion of the Directors of Life Investors, a principal reason for this is the relatively high prices at which life insurance shares sell and the resulting lack of marketability. Most Canadian life insurance companies have very small capitalizations (100,000 shares or less) and the shares of most of them sell at prices in the \$100 to \$1,000 range. As a result, the small investor is discouraged from buying them, while other investors have frequently overlooked them.

The Directors of Life Investors expect that the comparatively low price of the Company's shares, together with the listing of these shares on The Toronto Stock Exchange will provide a degree of marketability not previously available to investors in this industry.

Lack of investor interest in life insurance shares may also stem from the difficulty in obtaining meaningful information on the various companies' operations. Informed investment decisions require substantially more information than is disclosed by the annual reports of many companies. While there is a considerable amount of statistical information available through Governmental Agencies and Industry Associations, little of this is in a form that is readily understood by the investor or is useful without detailed study. As a result, the analysis of life insurance shares is a highly specialized field.

Life Investors plans to carry on an active programme of investment research, obtaining and continually analysing a substantial amount of the statistical data published in both Canada and the United States and consulting with the management of various life insurance companies in order to detect new developments within these companies and within the industry as these take place. The results of this programme will enable the management of Life Investors to assess investment opportunities independently and to make changes in the Company's portfolio when these are advantageous.

By overcoming the disadvantages of direct investment in the life insurance industry, Life Investors seeks to give investors the opportunity to participate more readily in the growth of the life insurance business in Canada.

## **INVESTMENT POLICY**

It is the present intention of Life Investors to invest substantially all of its assets in the shares of selected life insurance companies, with emphasis on the shares of those companies operating in Canada. The letters patent of the Company provide for broad investment powers. The Company may invest in the shares of companies which transact the business of life insurance and the securities of or guaranteed by the Government of Canada or any province thereof or any municipality therein or in the shares or securities of any corporation, public or private. Life Investors is thus able to make those investments which, in the opinion of the Board of Directors, seem most advantageous. The Company may from time to time invest in the shares of life insurance companies which do not operate in Canada or in the securities of companies not in the life insurance business. In addition, it may make temporary investments in short-term securities, whenever such action seems appropriate.

As a general rule, it is the intention of Life Investors not to take part in the management of those companies in which it invests nor to invest in private companies except in contemplation of their making a public issue of securities.

### **Investment Restrictions**

The investment powers of Life Investors are limited by the by-laws of the Company which prohibit it from making loans to its shareholders or directors, from trading on margin, from selling securities short, from purchasing or selling commodities or commodity contracts, from investing in mortgages or from making loans to or investing in any private company in which any director of Life Investors has an interest whether as a shareholder, director or officer.

## MANAGEMENT

### Officers and Directors

The Board of Directors will be responsible for the establishment of overall policies and for ensuring that these policies are carried out. The Directors and chief executive officers of the Company are:

EDWIN MAIN KENNEDY 169 Highland Road, London, Ontario	<i>President and Director</i>	Investment Dealer: President of Midland-Osler Securities Limited.
GEORGE MAXWELL HOBART 3114 Daulac Road, Montreal, P.Q.	<i>Director</i>	Executive: President and Chief Executive Officer of Consolidated Paper Corporation Ltd.; Director of Montreal Trust Company and Continental Can Company of Canada, Ltd.
ARCHIE FREEMAN MACALLASTER 489 Sasco Hill Road, Fairfield, Connecticut, U.S.A.	<i>Director</i>	Investment Banker: President of W. C. Pitfield Co. Inc.; Director of Lexington Research & Management Corporation.
JAMES WALLACE MCCUTCHEON 182 Cortleigh Blvd., Toronto, Ontario	<i>Director</i>	Barrister: Partner, Shibley, Righton, Scane & McCutcheon.
JOHN GOWANS KENT MCKELVEY 137 Mildenhall Road, Toronto, Ontario	<i>Vice-President and General Manager and Director</i>	Financial Analyst: President of Lindsay, McKelvey & Company Limited, Investment Counsel.
BUDD HUNTINGTON RIEGER 22 Brendan Road, Toronto, Ontario	<i>Director</i>	Industrialist: Director of Canadian Corporate Management Co. Ltd.; Consumers Glass Co. Ltd.; Dominion Forge Ltd.; Canadian Motorola Electronics Ltd.; Atlantic Sugar Refineries Co. Limited; Western Tire & Auto Supply Ltd. and a Canadian Chartered Bank.
<hr/>		
DONALD MURRAY LORIMER, C.A.	<i>Secretary and Treasurer</i>	Executive: Owner of D. M. Lorimer & Co.

The by-laws of the Company provide that the remuneration to be paid to the Directors shall be such as the Board of Directors shall determine. In addition, Directors shall be entitled to travelling and other expenses as incurred. The present Directors of the Company have waived entitlement to any direct remuneration during the first year of the Company's operations. No officer of the Company will receive any direct remuneration. However, Mr. McKelvey and Mr. Lorimer will indirectly receive fees for their services as disclosed below and Mr. Kennedy is a shareholder of Midland-Osler Securities Limited ("Midland-Osler") and as such will profit indirectly from this issue and on any purchase or sale of securities by the Company through that firm.

## **Investment Management**

There is no investment committee as such, but the Company has entered into an agreement dated January 29, 1965, with the investment counselling firm of Lindsay, McKelvey & Company Limited, 48 Yonge Street, Toronto, Ontario, ("Lindsay McKelvey"), under the terms of which Lindsay McKelvey will supervise and manage the Company's investment portfolio in conformity with the policies laid down by the Board of Directors of the Company. This agreement may be terminated by either party at any time after January 31, 1967 upon three calendar months' notice and may be terminated by the Company at any time upon three calendar months' notice should Mr. McKelvey cease to be actively engaged in the business of Lindsay McKelvey.

Lindsay McKelvey was incorporated under the laws of the Province of Ontario on January 25, 1962 and commenced business on April 1, 1962. Lindsay McKelvey manages the investment portfolios of several institutions as well as those of a number of private investors. Martin Russell Lindsay, 27½ Dunbar Road, Toronto, Ontario and Mr. McKelvey are the beneficial owners of all the shares of Lindsay McKelvey and are its only officers.

In the opinion of the Board of Directors of the Company, Lindsay McKelvey is well qualified to carry out its duties. Mr. McKelvey, the President thereof and a Director, Vice-President and General Manager of Life Investors is a Chartered Accountant and has made a specialty over a period of years of the analysis of life insurance shares. He is the author of two detailed studies on the investment merits of these shares. Before the formation of Lindsay McKelvey, Mr. McKelvey was associated with McLeod, Young, Weir & Company Limited, Investment Dealers, for six years prior to which time he practised with Price Waterhouse & Co., Chartered Accountants. Mr. Lindsay, the Vice-President of Lindsay McKelvey, is a graduate of Oxford University and the Harvard Business School and was associated with McLeod, Young, Weir & Company Limited, Investment Dealers for five years prior to the formation of Lindsay McKelvey.

## **Management Fees**

In return for its services, Lindsay McKelvey will be paid a quarterly management fee based on the market value of Life Investors net assets at the end of the quarter. This quarterly fee will be 0.05 of 1% of the net assets on the first \$5 million of net assets and 0.025 of 1% of net assets in excess of \$5 million, subject to a minimum annual fee of \$6,000.

On January 29, 1965 the Company sold to Lindsay McKelvey 10,000 Share Purchase Warrants of the Company at a price of 10 cents per Warrant. The terms of the Share Purchase Warrants are set out below under "Share Purchase Warrants" on page 8. Any gain realized by Lindsay McKelvey on the sale of these Warrants during the term of the agreement dated January 29, 1965 would be in addition to the quarterly management fee.

## **Administrative Services**

The Company has arranged with D. M. Lorimer & Co. to provide secretarial, accounting and other administrative services for a fee which is not expected to exceed \$2,000 a year. This arrangement is subject to termination by either party at any time. Donald M. Lorimer, C.A., who has been appointed Secretary and Treasurer of the Company, is the proprietor of D. M. Lorimer & Co.

## **DETAILS OF PRESENT OFFERING**

### **Share Capital**

The authorized capital of Life Investors Limited is 1,000,000 shares without par value, of which 59,009 shares have been issued for a cash consideration of \$10.00 each and are now outstanding as fully paid and non-assessable. All shares rank equally with regard to dividends and on liquidation, and each is entitled to one vote.

At the present time Midland-Osler, being the beneficial owner of 59,000 of the issued shares of the Company, is in a position to elect or cause to be elected a majority of the Board of Directors. On completion of the present financing, it is anticipated that no one person or group of persons will be in a position to elect or cause to be elected a majority of the Directors.

## Share Purchase Warrants

Life Investors has created Share Purchase Warrants, each of which entitles the holder to purchase 1 share for \$12.50 at any time up to 4:00 p.m. Toronto Time on February 28, 1970 and thereafter 1 share for \$15.00 at any time up to 4:00 p.m. Toronto Time on February 28, 1975, after which time the Warrants will expire.

The Share Purchase Warrants have been created pursuant to a Trust Indenture dated as of January 29, 1965 made between the Company and The Canada Trust Company, as Trustee, which provides for adjustments in the number of shares to be issued upon the exercise of the Share Purchase Warrants and in the subscription price under certain conditions.

If the Company subdivides, redivides, reclassifies, changes or consolidates its shares, pays a stock dividend, merges with another company or sells its assets as or substantially as an entirety, the number or classes of shares to be issued will be appropriately adjusted. If the Company pays a dividend from other than Accumulated Net Income or if it issues shares at a price in an amount other than the then net asset value of such shares and less than the subscription price then applicable to the Share Purchase Warrants, the subscription prices will be appropriately adjusted, subject to certain limitations. In the case of any dispute as to such adjustments, the decision of the auditors of the Company is final.

Midland-Osler Securities Limited on January 29, 1965 purchased 92,500 Share Purchase Warrants at 10 cents each together with 59,000 shares of the Company at \$10.00 per share. Other than such Share Purchase Warrants purchased by Midland-Osler Securities Limited and the 10,000 Share Purchase Warrants purchased by Lindsay McKelvey there are no options outstanding in respect of any securities of the Company.

## Underwriting

Midland-Osler Securities Limited, on its own behalf, has entered into an agreement with Life Investors dated March 12, 1965 to purchase 241,000 shares at \$10.00 per share and 241,000 Share Purchase Warrants at 10 cents each. These shares and Share Purchase Warrants together with the 59,000 shares and 59,000 of the Share Purchase Warrants of the Company already owned by Midland-Osler are to be offered to the public in units of one share and one Share Purchase Warrant at a price of \$10.65 per unit. The 33,500 remaining Share Purchase Warrants owned by Midland-Osler Securities Limited are to be sold by Midland-Osler Securities Limited to long term investors.

The estimated net proceeds to the Company from the issue of these securities is \$2,434,100 less accounting, legal, printing and other expenses of this issue estimated to amount to \$15,000. There is no minimum amount which in the opinion of the Directors must be raised by this issue to provide the sums required or the balance of the sums required to pay the purchase price of any property, to pay preliminary expenses or commissions payable in respect of subscriptions for shares of the Company, to repay moneys borrowed by the Company in respect of the foregoing matters or to repay bank loans or for any other purpose.

No commissions will be payable by the Company to any person in connection with this issue.

## Purpose of Issue

The net proceeds to be derived by Life Investors from the issue of the securities offered by this prospectus will form the working funds of the Company. As such, they will be invested according to the investment policies of the Company.

## Capitalization

After the completion of the underwriting described above, Life Investors will have outstanding the following shares and Share Purchase Warrants:

	Number of shares or Share Purchase Warrants	
	Authorized	Issued
Shares without par value.....	1,000,000	300,009
Share Purchase Warrants.....	343,500	343,500

The Company has not issued or agreed to issue any securities as either fully or partly paid up otherwise than for cash.

### **Dividend Policy**

It is the present intention of the Board of Directors to declare dividends as soon as Life Investors' net income is deemed sufficient to justify such payment. However, in view of the relatively low yields which are currently obtainable from investments in life insurance shares, dividends, if and when paid, are likely to be modest. The Company has not paid any dividends since incorporation.

## **FINANCIAL STATEMENTS**

The balance sheet and pro forma balance sheet of the Company as of January 31, 1965 will be found on page 10. Both statements have been examined by the Company's auditors, Price Waterhouse & Co., 55 Yonge Street, Toronto, Ontario, whose report is set out below.

Based on the pro forma balance sheet, after giving effect to the present financing and the payment of all preliminary expenses and expenses related to the financing and taking investments at their indicated market value as of March 12, 1965, the net tangible assets of the Company will amount to approximately \$10.25 per issued share.

### **Auditors' Report**

To the Directors of  
LIFE INVESTORS LIMITED:

We have examined the balance sheet and pro forma balance sheet of Life Investors Limited as at January 31, 1965. Our examination included such tests of the accounting records and such other supporting evidence as we considered necessary in the circumstances.

We report that, in our opinion, the accompanying balance sheet presents fairly the financial position of the Company as at January 31, 1965 in accordance with generally accepted accounting principles.

We also report that, in our opinion, the pro forma balance sheet presents fairly the financial position of the Company as at January 31, 1965 after giving effect as at that date to the transactions described in note 1 of the notes appended which appear on page 11 of this prospectus.

TORONTO, March 12, 1965.

PRICE WATERHOUSE & Co.  
*Chartered Accountants.*

**LIFE INVESTORS LIMITED**

(Incorporated under laws of Ontario)

**BALANCE SHEET AND PRO FORMA BALANCE SHEET****As of January 31, 1965**

(after giving effect in the pro forma balance sheet to the transactions described in Note 1 of the accompanying Notes)

	Balance Sheet	Pro Forma Balance Sheet
<b>ASSETS</b>		
Cash.....	\$ 12,796	\$2,429,006
Investments, at cost (indicated market value \$638,000)—Note 2.....	587,544	587,544
	<u>\$ 600,340</u>	<u>\$3,016,550</u>
<b>LIABILITIES</b>		
Accounts Payable.....	<u>\$ 2,890</u>	<u>\$ —</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital—		
Authorized—		
1,000,000 shares without par value, of which 343,500 shares will be reserved for exercise of Share Purchase Warrants		
Issued—		
Balance Sheet—59,009 shares.....	\$ 590,090	—
Pro forma balance sheet—300,009 shares.....	—	\$3,000,090
Contributed Surplus:		
Sales of Share Purchase Warrants.....	10,250	34,350
Less:		
Incorporation expenses.....	(2,890)	(2,890)
Issue expenses.....	—	(15,000)
	<u>7,360</u>	<u>16,460</u>
Total Shareholders' Equity.....	<u>\$ 597,450</u>	<u>\$3,016,550</u>
	<u>\$ 600,340</u>	<u>\$3,016,550</u>

Approved on behalf of the Board:

(Sgd.) J. K. McKELVEY, *Director*(Sgd.) J. W. McCUTCHEON, *Director*

# LIFE INVESTORS LIMITED

## NOTES TO BALANCE SHEET AND PRO FORMA BALANCE SHEET

As of January 31, 1965

1. The pro forma balance sheet gives effect to:

(a) The sale to Midland-Osler Securities Limited, by an underwriting agreement dated March 12, 1965 of the following shares and Share Purchase Warrants of the Company:

241,000 shares for a cash consideration of . . . . .	\$2,410,000
241,000 Share Purchase Warrants for a cash consideration of . . . . .	24,100
	<u>\$2,434,100</u>

and the crediting of the consideration for the sale of the Share Purchase Warrants to Contributed Surplus. The Share Purchase Warrants, including the 102,500 outstanding on January 31, 1965, may be exercised to February 28, 1975, as more fully set out on page 8 of this prospectus.

(b) The provision for expenses of the issue, estimated at \$15,000, which has been charged to Contributed Surplus, and the payment of these expenses and the incorporation expenses.

2. The cost to the Company of the following shares of life insurance companies purchased from Midland-Osler Securities Limited on January 29, 1965 was the cost to Midland-Osler Securities Limited plus interest from the date of purchase by Midland-Osler Securities Limited to January 29, 1965.

	Cost	Indicated Market Value
500 shares of The Great-West Life Assurance Company . . . . .	\$422,975	\$470,000
400 shares of London Life Insurance Company . . . . .	164,569	168,000
	<u>\$587,544</u>	<u>\$638,000</u>

The indicated market value of these investments was obtained by pricing the holdings at the quoted bid prices as at January 29, 1965. Such prices do not necessarily represent the value of the Company's holdings which may be more or less than the indicated market value.

## OTHER INFORMATION

### Custodian

Securities of the Company will be deposited with the Company's bankers under a safekeeping agreement dated January 29, 1965. Under this agreement, the Company's bankers will exercise no managerial or policy functions for the Company. There are no trustees and no trustee agreements where assets are held to protect the liability to the public in respect of securities of the Company to be sold to the public.

### Material Contracts

The only contracts Life Investors has entered into other than in the ordinary course of business are:

- (1) The agreement with Lindsay, McKelvey & Company Limited as set out under "Investment Management" on page 7.
- (2) The Underwriting Agreement with Midland-Osler Securities Limited as set out under "Underwriting" on page 8.
- (3) The Trust Indenture relating to Share Purchase Warrants as set out under "Share Purchase Warrants" on page 8.
- (4) The sale of 10,000 Share Purchase Warrants to Lindsay, McKelvey & Company Limited as set out under "Share Purchase Warrants" on page 8.
- (5) The sale of 92,500 Share Purchase Warrants and 59,000 shares of the Company to Midland-Osler Securities Limited as set out under "Share Purchase Warrants" on page 8.
- (6) The purchase from Midland-Osler Securities Limited of 500 shares of The Great-West Life Assurance Company and 400 shares of London Life Insurance Company as set out under "Property Acquired" on page 12.

Copies of these contracts can be inspected at the Head Office of the Company during business hours while the securities of the Company are in public distribution.

### Indebtedness

There is no substantial indebtedness proposed to be created or assumed by the Company which is not shown on the pro forma balance sheet of the Company dated January 31, 1965 on page 10. No bonds or debentures are outstanding or proposed to be issued which if issued, would rank ahead of or pari passu with the securities offered by this prospectus. No obligations are being offered by this prospectus

### Securities for Services

No services have been or are to be rendered to the Company which are to be paid for by the Company, wholly or partly out of the proceeds of this offering of securities except for legal and other services relating to this issue. Since the incorporation of the Company no services have been paid for or are now proposed to be paid for by securities of the Company unless the sale to Lindsay McKelvey of 10,000 Share Purchase Warrants of the Company at a price of 10 cents each may be so considered in which case reference is made to "Management Fees" on page 7.

### Property Acquired

The Company purchased on January 29, 1965 from Midland-Osler Securities Limited 500 shares of The Great-West Life Assurance Company and 400 shares of London Life Insurance Company for \$587,544. This price represented the cost thereof to Midland-Osler Securities Limited together with interest from the date of purchase by Midland-Osler Securities Limited to the date of sale. As of January 31, 1965 the indicated market value of such shares was \$638,000. Other than such shares no property has been purchased or acquired by the Company within the last two preceding years otherwise than in the ordinary course of its operations nor does the Company propose to purchase or acquire any property otherwise than in the ordinary course of its operations. The Company has not acquired and does not presently propose to acquire any other business.

### **Interest of Directors and Officers**

No Director of the Company has had any interest in the promotion of the Company or in any property acquired or proposed to be acquired by the Company except for the interest of Mr. Kennedy as a director, officer and shareholder of Midland-Osler Securities Limited. No sum has been paid or agreed to be paid to any person or to any firm in cash or securities or otherwise by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him or by any firm in connection with the promotion or formation of the Company. No amount has been nor is any amount intended to be paid to any promoter.

There are no other material facts not disclosed in the foregoing.

DATED THIS 12TH DAY OF MARCH, 1965

### **CERTIFICATES**

#### **Directors**

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 40 of The Securities Act (Ontario), by Section 40 of The Securities Act, 1954 (Saskatchewan), by Part X of The Securities Act, 1955 (Alberta), by Part VIII of The Securities Act, 1962 (British Columbia), by Section 13 of The Securities Frauds Prevention Act (New Brunswick), by Section 11 of The Securities Act (Nova Scotia) and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required or exigible.

(Sgd.) E. M. Kennedy

(Sgd.) A. F. MacAllaster

(Sgd.) George Maxwell Hobart

(Sgd.) J. K. McKelvey

by his Agent (Sgd.) J. K. McKelvey

(Sgd.) J. W. McCutcheon

(Sgd.) Budd H. Rieger

#### **Underwriters**

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 40 of The Securities Act (Ontario), by Section 40 of The Securities Act, 1954 (Saskatchewan), by Part X of The Securities Act, 1955 (Alberta), by Part VIII of The Securities Act, 1962 (British Columbia), by Section 13 of The Securities Frauds Prevention Act (New Brunswick), by Section 11 of The Securities Act (Nova Scotia) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

MIDLAND-OSLER SECURITIES LIMITED,

By: (Sgd.) R. G. McCulloch

The following includes all persons having more than a 5% interest in Midland-Osler Securities Limited: E. M. Kennedy, David B. Weldon, J. T. Skelly, C. W. McBride, E. H. Gunn, R. G. McCulloch, W. A. Stewart and T. W. Meredith.





18. **TRANSFER FEE**  
No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. **REGISTRAR**  
The Registrar of the Company is Canada Trust Company, 33 Adelaide Street West, Toronto, Ontario.

20. **AUDITORS**  
The Auditors of the Company are Price Waterhouse & Co., Chartered Accountants, 55 Yonge Street, Toronto, Ontario.

21. **OFFICERS AND DIRECTORS**  
Reference is made to page 6 of the attached prospectus for the full names and addresses of the Officers and Directors of the Company.

#### **CERTIFICATE**

Pursuant to a resolution duly passed by its Board of Directors, Life Investors Limited hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

#### **LIFE INVESTORS LIMITED**



"J. K. McKELVEY"  
Vice-President & Gen. Manager.

"D. M. LORIMER"  
Secretary-Treasurer.

#### **CERTIFICATE OF UNDERWRITER**

To the best of my knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

#### **MIDLAND-OSLER SECURITIES LIMITED**

"J. T. SKELLY"  
Vice-President.

"C. W. McBRIDE"  
Vice-President.

